United Nations A/53/794

General Assembly

Distr.: General
13 January 1999

Original: English

Fifty-third session
Agenda item 113
Programme budget for the biennium 1998–1999

Proposed measures to improve the profitability of the commercial activities of the United Nations

Report of the Secretary-General

1. The General Assembly, in paragraph 17 of part II of its resolution 52/220 of 22 December 1997, invited the Secretary-General to propose measures to improve the profitability of the commercial activities of the United Nations, in particular the sale of publications at Geneva, and, where appropriate, to develop new income-generating measures. The Secretary-General was requested to submit a report on that subject to the Assembly at its fifty-third session.

2. The Secretary-General wishes to inform the General Assembly that he has decided to institute a comprehensive review of the use of public spaces at Headquarters. This review is currently in progress and, as a part of the process, the Secretary-General intends to examine the commercial activities presently available to visitors and to determine the extent to which they are in harmony with his overall goal of making the United Nations a safe and welcoming space for visitors.

3. While the present examination of commercial activities is primarily focused on the United Nations premises, the Secretary-General also intends to determine to what extent these activities would lend themselves to off-site application. As an example, as part of the new contract for the operation of the United Nations Gift Centre, the contractor has proposed the development of a gift catalogue in order to reach a larger market. In addition, the contractor has proposed off-site sales on the basis of a fee or per item royalty to be paid to the Organization. The gift catalogue is currently under production and the off-site sales proposal is being reviewed to ensure that there are sufficient safeguards for the Organization.

4. In view of the comprehensive nature of the review being undertaken, the Secretary-General proposes to report on these and on other related questions in the context of his submission of the income sections of the proposed programme budget for the biennium 2000–2001.

5. In the interim, and in direct response to the General Assembly's inquiry on the sale of publications at Geneva, the Secretary-General wishes to observe that the Sales and Marketing Sections in New York and Geneva have, over the course of the last two biennia, increased income to the Organization through the sale of publications. Unfortunately, owing to cutbacks in staff, there have been significant delays in the fulfilment of customers' orders in both New York and Geneva. While 18 months ago one would have anticipated an average turnaround time of five days in the fulfilment of an order, that same turnaround time has now increased to 28 days. This has resulted in dissatisfied customers. As a result, alternative distribution modalities are currently being explored to improve the situation.

6. On a more positive note, electronic publications, including the Treaty Series on-line, the official document service over the optical disc system (ODS), the Monthly

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Bulletin of Statistics and other statistical materials are expected to generate an increasingly larger share of revenue. This will save the Organization in mailing costs as well as facilitating more expeditious deliveries. To that end, the Sales and Marketing Section in New York has contracted with an outside service to enable it to provide a safer environment for credit card transactions both for Headquarters and the United Nations Office at Geneva.

7. Recently, agreements were concluded to assist in the distribution of the publications of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF) and the United Nations Development Programme (UNDP). Those agreements will provide for a larger number of publications to be made available to customers, thus creating an opportunity to cross-sell the publications of various organizations having the same subject.

8. In addition, and more specifically related to the sale of publications in Geneva, the following measures will also be undertaken:

(a) Further diversification of sales, using (mainly) German and other language versions;

(b) Privatization of the United Nations Bookstore in Geneva, consistent with the approach taken at Headquarters (i.e. contracting of a labour broker), while adapting that approach to local conditions depending on established practice in Europe. The contractor would also be encouraged to operate direct mail operations;

(c) Emphasis on co-publishing and sale of rights;

(d) Active promotion of the sale of Arabic and, at a later stage, Russian titles. This should be undertaken with the help of the Economic and Social Commission for Western Asia and relevant United Nations Information Centres;

(e) Creation of new souvenir/gift items, extension of the existing successful lines; development of new flag items; and examination of the possibility of forming joint ventures with other agencies, including the Office of the United Nations High Commissioner for Refugees and UNICEF, which have strong programmes in this area themselves.